



PRESS RELEASE

House Armed Services Committee

Bob Stump, Chairman

FOR IMMEDIATE RELEASE

August 1, 2001

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HOUSE ARMED SERVICES COMMITTEE **COMPLETES FISCAL YEAR 2002 DEFENSE AUTHORIZATION BILL**

Legislation strikes balance between quality of life, readiness, and modernization needs

The House Armed Services Committee tonight reported H.R. 2586, the fiscal year 2002 defense authorization bill, out of committee on a bipartisan 58 to 1 vote. Upon final passage, Chairman Bob Stump (R-AZ) issued the following statement:

“With today’s action, the committee endorsed the urgent need to rebuild the U.S. military after years of neglect and overuse. While the committee has been in possession of the President’s amended budget request for only about one month, the urgency with which the committee considered and reported H.R. 2586 reflects the need to expedite the defense budget process to minimize the chances of an end-of-the-year defense budget train wreck.

“In crafting this bill, the committee largely followed the Administration’s proposed defense budget blueprint. I commend the President for requesting the most significant increase to the defense budget since the mid-1980s – a nearly \$33 billion increase to the fiscal year 2001 spending level. While some have questioned whether this increase is adequate, it is critical that Congress approve every penny of this request as a vital first step toward placing the U.S. military on the road to recovery.

“In keeping with the Administration’s request, H.R. 2586 targets two of the most critical elements of maintaining a healthy military – quality of life and readiness. In particular, the committee approved the largest military pay raise since 1982, significant construction efforts to improve the facilities in which military personnel live and work, and substantial increases to readiness accounts that support operations, maintenance, and training.

“The committee also expressed strong support for the President’s missile defense program. The President’s plans will ensure a realistic testing program that will hasten the day when Americans are protected against ballistic missile attack.

“Through careful scrutiny of the Pentagon’s budget, the committee was also able to increase procurement accounts, by far the weakest link in the President’s defense budget. The Department of Defense is soon expected to recommend changes in the shape and makeup of the U.S. military,

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thus, the budget request largely placed modernization efforts on hold. By marginally increasing procurement accounts, the committee acted to slow the erosion of an already-aging force, and smooth the transition into tomorrow's military force.

“On a final note, while it is significant that this bill would provide for the second consecutive year of real growth in the defense budget, the fundamental problems facing the U.S. military are the product of more than a decade of neglect and decline. Reversing the effects of such long-term deterioration will require a sustained commitment from Congress and the Administration to supporting not only the funding levels contained in this bill, but sustaining similar levels of increases into the future.”

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The funding level for H.R. 2586, \$343.3 billion in budget authority, matches the President's amended fiscal year 2002 defense budget request. A complete summary of H.R. 2586 as reported by the committee is available on the House Armed Services Committee website at: <http://www.house.gov/hasc>.



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Summary of Major Provisions

H.R. 2586:

***National Defense Authorization Act
for Fiscal Year 2002***

August 1, 2001

EXECUTIVE SUMMARY

On August 1, 2001, the House Armed Services Committee reported H.R. 2586, the National Defense Authorization Act for Fiscal Year 2002, out of committee on a bipartisan 58 to 1 vote. The bill authorizes \$343.3 billion for defense during fiscal year 2002 – matching the President's amended budget request and marking the most significant increase to the defense budget since the mid-1980s.

As reported by the committee, H.R. 2586 represents the continued endorsement of the urgent need to rebuild the United States military after years of neglect and overuse. Furthermore, the overwhelming vote for the bill indicates the strong level of bipartisan support for the President's entire defense funding request for fiscal year 2002.

H.R. 2586 targets two of the elements most critical to maintaining a healthy military – quality of life and readiness. The committee supported the President's request for the largest military pay raise since 1982, significant construction efforts to improve the facilities in which military personnel live and work, and substantial increases to readiness accounts that support operations, maintenance, and training.

In addition, the committee expressed strong support for the President's missile defense program and provided marginal increases to the President's request for procurement accounts, slowing the erosion of the force and smoothing the transition into tomorrow's military.

Highlights of H.R. 2586 include:

Quality of Life

Pay Raise: Provides the largest military pay raise since 1982. After pay table adjustments contained in the bill, every service member will receive a raise of between 5 and 10 percent (effective January 1, 2002).

Concurrent Receipt: Eliminates unfair current law provisions that cause military retirees who are eligible for veteran's disability compensation to have their retirement pay reduced. This provision will become effective after the President submits legislation in an annual budget request, and Congress enacts legislation to expressly offset the costs of this initiative.

Permanent Change of Station (PCS) Move Relief: Reduces the financial burden of PCS moves on families by providing increased authorities for reimbursement of temporary lodging and subsistence expenses.

Military Voting: Establishes procedures to ensure that problems with the DOD mail and voting systems are corrected before elections occur and improves the military's implementation of the Federal Voting Assistance Program.

Housing Costs: Continues to reduce out-of-pocket housing costs for military personnel by increasing housing allowances to cover 88.7 percent of housing costs.

Unfunded Requirements: Satisfies \$95 million of the service chiefs' unfunded personnel requirements.

Military Readiness

Critical Readiness Accounts: Increases key readiness accounts by \$7.5 billion above the fiscal year 2001 level.

Recruiting and Retention: Boosts military special pays, enhances incentives to join ROTC, and extends enlistment and reenlistment bonuses.

Missile Defense

National Missile Defense: Supports the President's Ballistic Missile Defense program and authorizes \$8.2 billion, \$2.9 billion more than the fiscal year 2001 level.

Modernizing the Force

Procurement Accounts: Increases procurement accounts by \$442.1 million and reprioritizes programs within the budget request, funding more than \$250 million of unfunded procurement requirements.

Research and Development Accounts: Increases research and development accounts by \$228.5 million, for a total increase of \$6.7 billion above the fiscal year 2001 level.

Military Construction

Meeting Construction Needs: Provides \$10.3 billion for key military construction and family housing efforts, \$350 million more than the President's request and \$1.8 billion more than the fiscal year 2001 level.



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QUALITY OF LIFE

Despite the best efforts of Congress over the past six years, the quality of living for U.S. military personnel and their families has improved only modestly. The predictable result is the continued departure of the best and brightest military personnel to the private sector, a trend that is particularly troublesome in the mid-career enlisted and officer ranks.

The committee believes that improving the quality of life for America's soldiers, sailors, airmen, and Marines is a top priority. As such, the committee fully supports the President's proposal to add \$1 billion to military pay, thereby providing significant across-the-board pay raises for all, as well as targeted pay increases for mid-career service members. The committee also welcomes and supports the budget increases for military housing contained in the budget request. The committee recommends an additional effort: innovative programs to reduce the significant out-of-pocket costs experienced by military personnel as a result of permanent change of station moves.

Together, the quality of life efforts recommended by the committee and the President represent the most significant step toward making a real improvement in military quality of life in nearly two decades. However, this is just one step forward, and real progress in this area will require the President and the Congress to dedicate the next several years to raising the quality of military life.

Raising the Military Standard of Living

Basic Military Pay. The committee recommends the largest pay increase for military personnel since 1982, effective January 1, 2002. As a result, enlisted service members will receive at least a 6 percent pay raise, officers will receive at least a 5 percent pay raise, and certain pay grades will receive as much as a 10 percent pay increase. In addition, the committee recommends changes to pay tables and significant additional increases for mid-grade and senior noncommissioned officers and mid-grade officers.

Housing Allowance. The committee supports reducing out-of-pocket housing costs for service members and recommends adopting the President's request to reduce the average amount of housing expenses paid by service members from the current 15 percent to 11.3 percent in fiscal year 2002 and to eliminate the out-of-pocket expense completely by fiscal year 2005.

Permanent Change of Station (PCS) Reimbursement. A fact of life in the military is that service members must move from one military facility to another every few years. Such moves are known as PCS moves, and are often costly events for military families. In recent years, reimbursement for the costs of PCS moves has dropped to 62 cents for every dollar spent by service members and their families. As a result, service members often incur non-reimbursable costs of more than \$1,000 per move. The committee is committed to relieving military families of the financial burden of PCS moves by recommending provisions to:

- increase from \$110 to \$180 per day the maximum amount that service members may be reimbursed for temporary lodging and subsistence expenses incurred in the United States as a result of a PCS move (effective January 1, 2002);
- authorize payment of temporary lodging and subsistence expenses to officers reporting to their first permanent duty station (effective January 1, 2002);
- authorize advance payment of vehicle storage costs and shipment of vehicles at government expense from one permanent duty station to another within the continental United States (effective January 1, 2002);
- increase from \$275 to \$675 the amount that military personnel may be reimbursed for mandatory pet quarantine fees resulting from a permanent change of station (effective January 1, 2002);
- authorize a dislocation allowance for service members ordered from their homes to their first duty stations (effective January 1, 2003);
- increase the maximum weight allowance for shipment of household effects for enlisted members in grades E-4 and below to 8,000 pounds for members with dependents, 7,000 pounds for grade E-4 members with less than two years of service without dependents, and 5,000 pounds for grades E-1 through E-3 without dependents (effective January 1, 2003);
- require that per diem rates for service members conducting a PCS move be equivalent to federally regulated per diem rates for civilian employees changing permanent duty stations (effective January 1, 2003); and
- require payment of a temporary housing allowance to service members in pay grades below E-4 with less than 4 years of service while on travel or leave status between permanent duty stations (effective January 1, 2003).

Military Health Care

Maintaining a quality health care benefit is vital to the welfare of the military force. As such, the committee is pleased that the President's budget request properly funds the Defense Health Program for the first time in several years. In addition to supporting the President's request for the program, the committee recommends a number of provisions intended to further improve access to health care.

Protecting Health Care Choices. Many military retirees are eligible for health care in facilities and programs of both the Department of Defense and the Department of Veterans Affairs. To protect the ability of these retirees to choose the best available option for their health care needs, the committee recommends a provision to prohibit the Secretary of Defense from forcing military retirees to choose between DOD and VA programs.

Reimbursement of Travel Expenses. In some cases, military personnel and their families must travel significant distances to obtain specialty care services under the TRICARE system. When a child in a military family is in need of such care, the parents should not be burdened with the costs of traveling with them. Therefore, the committee recommends a provision to require the

Secretary of Defense to reimburse reasonable travel expenses of a parent or guardian in such cases.

Sub-acute and Long-term Care Program Reform. The committee recommends a provision to require the Secretary of Defense to establish a home health care and skilled nursing facility benefit. This long overdue reform of the DOD health program for families with extraordinary medical needs will bring TRICARE in line with other federal health insurance programs by redefining custodial care and providing coordinated coverage between TRICARE and Medicare benefits. The provision also authorizes the Secretary of Defense to provide enhanced services and easier access to TRICARE benefits for active duty members who have dependents with extraordinary medical conditions.

Reservist Health Care. The federal government should lead the way in supporting employees who serve as military reservists. To that end, the committee recommends a provision to authorize federal agencies to pay Federal Employees Health Benefit Plan premiums for reservist employees who are called to active duty for more than 30 days to serve in a contingency operation.

Improving Living and Working Facilities

The President's fiscal year 2002 budget request for military construction and family housing represents the largest request since fiscal year 1996 and a \$1.4 billion increase over the fiscal year 2001 level.

In repeated efforts to improve military infrastructure, the committee has added over \$6.5 billion to Administration budgets for military construction and family housing over the past six years. Once again, the committee targeted additional funding towards critical military infrastructure accounts to improve living and working conditions for military personnel and their families. Accordingly, the committee recommends \$10.3 billion (\$350 million more than the President's request and \$1.8 billion more than the fiscal year 2001 level) for military construction and family housing accounts. The committee also recommends \$120 million for quality-of-life enhancements. Highlights of the committee's recommendations include:

- **Housing Privatization.** The committee recommends making permanent the authorities in the Military Housing Privatization Initiative that use private sector expertise and capital to accelerate improvement of government-owned housing and help eliminate a serious shortage of quality affordable housing for military personnel and their families.
- **Military Family Housing.** The committee recommends \$1.1 billion (\$49 million more than the President's request) for construction and improvement of 6,800 units and to provide necessary funding to support the privatization of another 28,000.
- **Troop Housing.** The committee recommends \$1.2 billion for the construction of 51 new barracks and dormitories (\$39 million and five more buildings than the President's request) to support unaccompanied military personnel.

- **Child Development Centers.** The committee recommends \$36.2 million for six child development centers (\$10.7 million and two more than the President's request).
- **Fitness Centers.** The committee recommends \$181.5 million for 16 fitness centers (\$20.7 million and three more than the President's request).
- **Dislocation Allowance.** The committee recommends a provision to authorize a \$500 dislocation allowance to service members ordered to occupy or vacate government family housing as a result of privatization, renovation, or other reasons unrelated to a permanent change of station move. (Also listed in "Other Special Pays and Bonuses," page 8).

Educating the Children of Service Members

Impact Aid. The Department of Education's Impact Aid program provides supplemental funds to school districts nationwide to support the education of nearly 550,000 military children. The committee recommends an additional \$30 million for Impact Aid spending for school districts heavily impacted by military children.

Education Funding. Military families should be confident that their children will receive a quality education when attending DOD Dependent schools. As such, the committee recommends \$1.5 billion for DOD Dependent schools (matching the President's request). In addition, the committee continues to support military families who choose home schooling for their children by recommending a provision to authorize home school dependents to use various DOD Dependents Education System benefits, including registration in individual courses, access to school libraries, and participation in extracurricular activities. Finally, the committee recommends a provision to expand the ability of the military services to fund student travel through school-sponsored exchange programs for military dependents stationed overseas.

IMPROVING U.S. MILITARY READINESS

Over the past six years, Congress has led the effort to identify and reverse the declining state of military readiness. Today, there is bipartisan agreement that U.S. military readiness has declined due to an increased pace of operations combined with escalating maintenance costs and aging equipment. The President's fiscal year 2002 budget request will make real progress toward reversing this decline by providing significant increases to key operations, maintenance, and training accounts. The committee supports these efforts and also recommends a number of legislative provisions to improve the recruiting and retention efforts of the services.

Readiness and Training

Critical Readiness Accounts. After six years of Presidential budgets containing significant shortfalls in critical readiness accounts, the committee was heartened to receive a budget request with increased support for maintenance, operations, and training needs. The committee supports the President's request in these areas by recommending:

- \$11.5 billion for aircraft operations and flying hours (\$2.2 billion more than the fiscal year 2001 level);
- \$9.3 billion for depot maintenance (\$1.6 billion more than the fiscal year 2001 level);
- \$9.3 billion for training accounts (\$800 million more than the fiscal year 2001 level); and
- \$20.7 billion for facility and base support (\$2.8 billion more than the fiscal year 2001 level).

"Readiness" vs. Operations & Maintenance (O&M) Accounts. At more than \$125 billion, O&M funding represents more than one-third of the defense budget request for fiscal year 2002 and is traditionally considered the "readiness" account. However, a closer look at O&M accounts reveals much more than core readiness spending – these accounts fund many other items including DOD's administrative functions, environmental restoration, cooperative threat reduction efforts, and humanitarian assistance. The committee undertook a careful examination of these accounts in an effort to adjust non-warfighting readiness O&M programs while bolstering higher priority defense accounts. This year, reductions in non-readiness O&M programs include:

- \$550.3 million from program growth in administrative accounts;
- \$120 million from the Navy Marine Corps Intranet program (also see "Navy Marine Corps Intranet" page 23);.
- \$104.8 million from excess foreign currency;
- \$87 million from personnel underexecution;
- \$80 million from information technology systems that do not comply with current rules;
- \$80 from consultants; and
- \$75.5 million by reducing A-76 Studies.

Vieques. The Vieques training range provides an irreplaceable training facility for U.S. military forces, who have used its unique combination of live fire areas, aerial bombardment ranges, and amphibious landing beaches to reach high levels of readiness in preparation for nearly every conflict since World War II.

Given these facts, the committee is concerned by Navy's recent decision to leave Vieques by May 2003. Of particular concern is the fact that the Navy and Marine Corps currently have no options available for replacing the training facilities at Vieques. The committee believes that retaining the Vieques Island training facility is critical to the readiness of U.S. naval forces and recommends several initiatives to ensure continued access until an alternative site is found, including provisions to:

- cancel the referendum currently planned for November 2001;
- require the Navy and Marine Corps to continue training at Vieques until the Commandant of the Marine Corps and the Chief of Naval Operations certify that an equal or superior location for training exists and is available for use; and
- if an alternative site is found and the Vieques range is closed, retain all land on Vieques currently owned by the Navy for DOD use in case of national emergency, to be managed in cooperation with the Department of the Interior.

National Training Center Expansion. The National Training Center at Fort Irwin provides realistic battlegrounds for training brigades to meet the challenges of the 21st century. In the 20 years that the NTC has been in operation, the speed, complexity, and power of weaponry has increased significantly, resulting in greater numbers of soldiers and equipment spread over a larger area. As a result, the existing space at the NTC is no longer adequate for training for tomorrow's battlefield. Therefore, the committee recommends provisions to authorize the southward expansion of the National Training Center at Fort Irwin in a manner that recognizes the Army's training needs as well as the needs of the environment.

Reserve Component Readiness Infrastructure for Training and Readiness The committee recommends \$807.8 million (\$192.6 million more than the President's request) for facilities enhancements to improve the training and readiness of the National Guard and reserves, including:

- \$305 million for the Army National Guard;
- \$197 million for the Air National Guard;
- \$173 million for the Army Reserve;
- \$79 million for the Air Force Reserve; and
- \$53 million for the Navy and Marine Corps Reserves.

National Security Impact Statement. DOD frequently conducts environmental impact assessments to determine the impact that proposed actions could have on the environment. However, DOD has been reluctant to include an assessment of the impact their activities could have on national security. The committee recommends DOD include an analysis that an action could have on national security when required to examine the environmental impact.

Recruiting and Retaining the Best and Brightest

Despite DOD's concerted efforts, the private sector continues to draw many of the nation's best and brightest away from the military. The committee continues to support initiatives to improve the services' recruiting and retention efforts and recommends a number of provisions to boost pay and bonuses, improve recruiting programs, protect earned benefits, and increase promotion opportunities for mid-grade officers.

Increasing Mid-Grade Opportunities. Due to recruiting and retention challenges, the military is currently experiencing a shortage of officers serving in the grade of O-3. While the service secretaries work to address the problems at the source of the O-3 shortage, the committee recommends a provision to authorize service secretaries to reduce the time-in-grade requirement for promotion to O-3 from 24 to 18 months through fiscal year 2005.

Active Duty Special Pay and Bonuses. The committee recommends a provision to extend the authority for several special pays and bonuses for active duty personnel through December 31, 2002, including:

- aviation officer retention bonus;
- reenlistment bonus for active members;
- special pay for nuclear qualified officers extending their period of active service;
- nuclear career accession bonus; and
- nuclear career annual incentive bonus.

Reserve Forces Special Pay and Bonuses. The committee recommends provisions to extend certain special pays and bonuses for reserve personnel through December 31, 2002, including:

- special pay for health care professionals who serve in the selected reserve in critically short wartime specialties;
- selected reserve reenlistment bonuses;
- special pay for selected reserve enlisted personnel who are assigned to certain high priority units;
- ready reserve enlistment and reenlistment bonus;
- the selected reserve affiliation bonus;
- prior service enlistment bonus; and
- authority for repayment of educational loans for certain health professionals who serve in the selected reserve (extended to January 1, 2003).

Other Special Pays and Bonuses. The committee recognizes the importance of special pays and bonuses to the military services' retention efforts. Therefore, the committee recommends provisions to authorize:

- hazardous duty incentive pay for regularly conducting visit, board, search, and seizure duties in support of maritime interdiction operations;
- up to \$1,000 per month for submarine duty incentive pay based upon pay grade and years of service; and
- a \$500 dislocation allowance to service members ordered to occupy or vacate government family housing as a result of privatization, renovation, or other reasons unrelated to a permanent change of station move. (Also see "Improving Living and Working Facilities," page 4)

Strengthening the Officer Corps. The committee recognizes the continued importance of encouraging good candidates to become military officers. As such, the committee recommends provisions to:

- authorize service secretaries to pay accession bonuses of up to \$100,000 to officer candidates who enter into written service agreements to accept commissions as officers;
- increase the maximum allowable age for the senior Reserve Officer Training Corps (ROTC) scholarship program from age 27 on June 30 of the year of the anticipated commissioning year to age 35 on December 31 of the anticipated commissioning year;
- authorize active duty enlisted personnel to participate in the senior ROTC program; and
- allow officer candidates to receive financial assistance while training to be nurses at institutions where there are ROTC programs for which the candidates are not eligible.

Expanding Reservist Access to Commissaries. Under current law, reservists are not eligible to receive commissary privileges until they have attended unit drills for a year. This policy is inconsistent with the eligibility requirements for other morale, welfare, and recreation benefits, including access to military exchanges, which are immediately available to reservists. As such, the committee recommends a provision to authorize reservists to receive commissary privileges immediately upon entering reserve service.

Employment for Military Spouses. The transitory nature of the military often makes it difficult for military spouses to find employment. Therefore, the committee directs the Secretary of Defense to help military spouses access financial, educational, and employment opportunities through existing DOD, federal, state, and nongovernmental programs. The resulting opportunities will improve both job skills and employability of military spouses.

Concurrent Receipt. Under current law, military retirees with service-connected disabilities have their retirement pay reduced to offset disability compensation paid by the Department of Veterans Affairs (VA). This is fundamentally unfair, as military retirees deserve the retirement pay they earned for years of service, as well as the VA disability compensation that recognizes a lifelong limitation on earning potential. Therefore, the committee recommends a provision to authorize military retirees to receive VA disability compensation without a reduction in

retirement pay. Retirees who receive disability retirements may still have their retirement pay reduced, but only to the extent that their retirement pay exceeds the amount of retirement pay to which they would have been entitled based upon time of service. This provision will take effect after the President submits legislation in an annual budget request, and Congress enacts legislation, to expressly offset the costs of this initiative.

Shaping the Force

Active Duty End Strengths. The committee recommends supporting the President's request for active duty end strengths, including increasing end strengths for the Navy and Air Force to reduce manning shortfalls in a range of critical skills. The committee also recommends retaining end strength floors at the levels requested by the military services, reemphasizing the committee's commitment to ensuring that the services maintain the minimal strengths necessary to perform their fundamental warfighting missions.

FISCAL YEAR 2002 END STRENGTH – ACTIVE FORCES

<i>Service</i>	<i>FY 2001 Level</i>	Fiscal Year 2002		Change from Fiscal Year	
		<i>Request</i>	<i>Recommendation</i>	<i>2002 Request</i>	<i>2001 Level</i>
Army	480,000	480,000	480,000	0	0
Navy	372,642	376,000	376,000	0	3,358
USMC	172,600	172,600	172,600	0	0
Air Force	357,000	358,800	358,800	0	1,800
Total	1,382,242	1,387,400	1,387,400	0	5,158

Selected Reserve End Strengths The committee recommends supporting the President's request for selected reserve end strengths as follows:

FISCAL YEAR 2002 END STRENGTH – SELECTED RESERVE

<i>Service</i>	<i>FY 2001 Level</i>	Fiscal year 2002		Change from Fiscal Year	
		<i>Request</i>	<i>Recommendation</i>	<i>2002 Request</i>	<i>2001 Level</i>
ARNG	350,526	350,000	350,000	0	-526
USAR	205,300	205,000	205,000	0	-300
USNR	88,900	87,000	87,000	0	-1,900
USMCR	39,558	39,558	39,558	0	0
ANG	108,022	108,400	108,400	0	378
AFR	74,358	74,700	74,700	0	342
Total	866,664	864,658	864,658	0	-2,006
USCGR	8,000	8,000	8,000	0	0

Authorities to Manage the Force. The committee recognizes the challenges facing DOD in shaping and sizing its force. As such, the committee recommends provisions to extend certain force drawdown authorities through December 31, 2002, including:

- active and reserve early retirement authorities;
- voluntary separation incentive authority;
- increased flexibility in the management of selective early retirement boards;
- reduction in time-in-grade requirement for retention of grade upon voluntary retirement for both active and reserve personnel;
- reduction of length of commissioned service for voluntary retirement as an officer;
- enhanced health, commissary, and family housing benefits; and
- reduction of length of non-regular service requirements for reserve retirements.

PROTECTING AMERICANS FROM BALLISTIC MISSILE ATTACK

Today, Americans at home and abroad are within striking range of thousands of ballistic missile warheads. The risk of accidental or unauthorized launch of ballistic missiles remains real, and the proliferation of missile technology has allowed nations like North Korea to develop and test ballistic missiles capable of reaching U.S. soil.

Furthermore, American military forces and allies around the world have no effective defense against the ballistic missile threat. Over 100,000 U.S. troops in South Korea and Japan live under the threat of ballistic missile attack, as do American forward-based air and naval forces in Northeast Asia, the Mediterranean, and the Persian Gulf. Even vital U.S. allies including South Korea, Japan, and Taiwan face known ballistic missile threats and have no effective defense.

The committee believes that America's total vulnerability to ballistic missiles must end. Unfortunately, missile defense programs have never received the level of support and funding necessary to support such an important mission. As a result, the committee welcomes the President's request for a significant increase in funding for ballistic missile defense programs as the first step toward the day when all Americans are protected against ballistic missile attack. The committee endorses the President's approach to ballistic missile defense, and is encouraged that the proposed missile defense program includes plans for a layered defense system and realistic testing, and explores a full range of technologies. As such, the committee endorses the Administration's missile defense program and recommends \$8.2 billion, \$2.9 billion more than the fiscal year 2001 level, for the continued development of ballistic missile defenses.

Strengthening the Missile Defense Program. In recent years, missile defense programs have suffered from a focus on individual program results, rather than the more important “big picture” effort to develop a unified ballistic missile defense program. The committee recognizes this shortcoming and supports the Administration's request to fundamentally restructure the nation's ballistic missile defense programs into six primary areas: Ballistic Missile Defense Systems Engineering, Boost, Midcourse, Terminal Defenses, Sensors, and Technology. The committee believes that this approach will provide the focus necessary to accomplish the ultimate task at hand – developing an effective, layered, ballistic missile defense system through a realistic testing program. Furthermore, the committee recommends the following funding levels for the restructured program:

- **Missile Defense Test Bed.** The committee supports the President's request for \$273 million to start construction of a midcourse “test bed” at Fort Greely, Alaska. Establishment of a test site at Fort Greely will demonstrate the viability of a layered missile defense system while providing an opportunity to test the various hardware and software elements of the system in a realistic environment. The funds for the test bed site at Fort Greely are contained within the six primary ballistic missile funding areas.
- **Ballistic Missile Defense (BMD) System.** The committee recommends \$755 million for integrated system tests, evaluation, and engineering efforts.
- **Terminal Defenses.** The committee recommends \$2.2 billion for terminal defense systems, including PAC-3, Medium Extended Air Defense System, Navy Area, Theater

High Altitude Air Defense (THAAD), and international missile defense programs including the Arrow program. The increase over the fiscal year 2001 level will allow purchase of additional PAC-3 missiles and support acceleration of the THAAD program if system tests are successful.

- **Midcourse Defenses.** The committee recommends \$3.9 billion for mid-course defense, including ground-based (formerly known as National Missile Defense) and sea-based (formerly known as Navy Theater Wide Defenses). The increase over the fiscal year 2001 level will support a realistic testing program, including testing against countermeasures and strong support for the Navy Theater Wide program.
- **Boost Phase Defenses.** The committee recommends \$610 million for boost phase systems, including the Airborne Laser (ABL) and Space-Based Laser (SBL). The increase over the fiscal year 2001 level will allow acceleration of the ABL and SBL programs if testing proves successful.
- **Protecting Developmental Programs.** The committee does not support the transfer of PAC-3, Medium Extended Air Defense System, and Navy Area to the control of the services as there is no assurance they will be able to receive and adequately fund these programs. In the future, the committee believes BMDO should first establish criteria for safe and effective transfers before such shifts in program control are made.
- **Sensors.** The committee recommends \$471 million for the Space-Based Infrared System (SBIRS) and international sensor programs including the Russian-American Observational Satellites. The increase over the fiscal year 2001 level will accelerate deployment of the SBIRS program.
- **Technology.** The committee recommends \$113 million for technological components and innovative concepts needed to keep pace with constantly evolving missile threats.
- **Missile Defense Reduction.** The committee reduced the President's total request for missile defense programs by \$135 million by decreasing funding for various programs that are not critical to the test bed effort or can be prudently deferred.

MODERNIZING THE FORCE

Despite the end of the Cold War, the U.S. military has made surprisingly few changes to meet the new challenges of the post-Cold War environment. For America to ensure that U.S. service members retain the technological edge on the battlefields of tomorrow - thereby saving lives and winning wars - the United States military must undergo a transformation that includes appropriate changes in weapons, equipment, and strategies.

While the exact path for transformation is not yet clear, it is certain that modernizing the force with new technologies and advanced capabilities to fight and win future conflicts is vital. Until this path is clear, the transformation effort must take place on two fronts - maintaining the current force through a steady procurement program and developing revolutionary technologies through an aggressive research and development program.

Unfortunately, the President's request for procurement programs was the weakest link in an otherwise strong defense budget. In effect, the request for procurement would place modernization efforts on hold, pending completion of DOD's strategic review. Instead, the committee recommends \$62 billion (\$442.1 million more than the President's request) to procure weapons, ammunition, and equipment, while careful reprioritization of the budget enabled the committee to meet \$253.4 billion of the service chiefs' unfunded requirements. The resulting procurement budget will slow the erosion of the force while laying the foundation for transformation into the future military force.

In contrast, the President's research and development (R&D) budget represents the largest R&D budget ever, and the most significant increase to R&D budgets in six years. This significant level of support for R&D programs will likely ensure rapid progress in developing innovative technologies, deploying ballistic missile defenses, and testing and evaluating transformation programs. Therefore, the committee recommends \$47.7 billion (\$228.5 million more than the President's request and \$6.7 billion more than the fiscal year 2001 level) for research and development programs, including funds for ballistic missile defense programs.

Transformation Programs

(Listed Alphabetically)

Advanced Radar Systems. High frequency and high power wide band gap semiconductor electronics technology is key to the development of advanced radar systems for in future ballistic missile defense programs and the all-electric ship. In an effort to continue initiatives to develop and transition critical technologies developed by the Defense Advanced Research Project Agency (DARPA) to the military departments, the committee recommends establishment of a collaborative DARPA/Navy program for advanced naval radar systems. The committee authorizes \$56.5 million (\$7 million more than the President's request) for the program, \$41 million in DARPA and \$15.5 million in the Office of Naval Research.

Army Transformation. The Army currently lacks medium-weight forces capable of deploying rapidly in response to the full spectrum of contingencies including low intensity conflicts, full-

scale warfare, peacekeeping, and humanitarian operations. In support of the Army's initiative to transform two medium brigades, the committee recommends \$663 million (matching the President's request) for procurement and \$102 million (matching the President's request) for research and development of medium armored vehicles.

Defense Manufacturing Technology Program (ManTech). The committee recommends \$179 million (\$6 million more than the President's request) for ManTech, supports development of advanced manufacturing processes and procedures for metals, composites, electronics, energetics and munitions, advanced design tools, and business processes for maintenance, repair, and overhaul.

DOD Office of Transformation. The U.S. military must make a concerted effort to recognize and prepare for the challenges created by emerging threats and the rapidly changing post-Cold War environment. Therefore the committee supports DOD's decision to establish an Office of Transformation, and recommends a provision expressing the sense of Congress that the Director of Transformation should:

- develop transformation strategies that correspond with the future needs and goals of the military;
- ensure a continuous and focused transformation process;
- identify concepts and technologies that could be of future benefit to the military; and
- fund selective experimentation efforts, wargames, and studies to guide the services' efforts to transform.

Experimental Littoral Support Craft. The committee recommends \$49 million (the President did not request any funds) for development of an experimental littoral support craft to perform such functions as providing fire support, reconnaissance, communications and sensor support, and forward logistical support. The committee anticipates that such a craft could be in the water in late fiscal year 2003.

Future Combat System. The Army has begun to transform its organization into a more strategically responsive force capable of dominating the full spectrum of operations. This transformation began last year with a partnership between the Army and the Defense Advanced Research Projects Agency to incorporate high-risk, high-gain technologies into a family of future combat systems. The committee is encouraged by the Army's vision for the future, particularly the capabilities of future combat vehicles and automotive advanced technology. Therefore, the committee recommends \$511 million (matching the President's request and \$146 million more than the fiscal year 2001 level) for the future combat system.

Global Hawk UAV. The Global Hawk High Altitude Endurance (HAE) UAV will provide significant intelligence, surveillance, and reconnaissance support to the military. Therefore, the committee recommends \$85.4 million (matching the President's request) for two HAE Global Hawk UAVs.

Rapid Acquisition Efforts. DOD has requested funds to conduct a number of rapid acquisition programs to insert innovative technologies into ongoing research, development, and procurement programs. The committee strongly supports these efforts and recommends \$384.2 million (\$154.1 million more than the President's request) to further increase opportunities to introduce innovative technologies into DOD acquisition programs. In addition, the committee recommends establishing a "challenge" program to accelerate production of innovative technologies in defense systems, and ensure that innovative technologies and forward-thinking ideas have an opportunity to be considered for defense programs.

Small Diameter Bomb. The Air Force's Small Diameter Bomb Program will increase weapons load-outs and combat effectiveness of current and future strike aircraft. The committee recommends \$40 million (matching the President's request) to continue advanced development of the Small Diameter Bomb Program.

Using Technology to Increase Efficient Use of Funds and Resources. The committee believes that the services should make greater efforts to access technologies that will enable them to work more effectively, while also saving money. As such, the committee recommends several initiatives to help the services operate more efficiently by directing:

- the service secretaries to assess the science and technology programs at service laboratories and research centers to ensure that their research efforts do not duplicate ongoing work in commercial sector investments and that research is focused on the needs of the future forces;
- the Secretary of Defense to use U.S. commercial capabilities to meet a majority of non-time critical low and medium imagery requirements by the year 2005; and
- the Secretary of the Air Force to develop a reprogrammable, commercial technology-based, open architecture signals intelligence capability. This capability should be non-proprietary and upgradable through changes in software rather than hardware.

Aircraft and Strategic Forces

(Listed Alphabetically)

B-1B Lancer. In June 2001, the Air Force announced its intention to reduce the current number of B-1B bombers from 93 to 60, and to consolidate B-1B operations from five bases to two. The committee determines the Air Force decision to reduce and consolidate the B-1B fleet to be premature, as it was developed prior to the completion of the emerging national security and defense strategies. Therefore, the committee recommends restoring \$100 million to the Air National Guard operations and maintenance account to keep Air Guard B-1Bs flying into fiscal year 2002. The committee also recommends prohibiting retirement of any B-1Bs until Congress receives a new national security strategy, the Quadrennial Defense Review, and various other studies.

B-2 Spirit. The Air Force's plan for a future "global strike task force" depends heavily upon the B-2 fleet. As such, the committee believes that procurement of additional B-2s may become

necessary, and directs the Secretary of the Air Force to report to Congress on the number and type of aircraft necessary for the global strike task force concept and an acquisition strategy for procuring them. Additionally, the committee believes that the Air Force should continue to upgrade the existing B-2 fleet with the most effective systems and weapons. Accordingly, the committee recommends \$44.9 million (\$33 million more than the President's request for B-2 modifications) for a satellite communications upgrade and \$245 million (\$90 million more than the President's request for B-2 research and development) for Link 16 display and computer upgrades and for integration of the Enhanced Guided Bomb Unit-28 hard-target penetration weapon.

C-130J and KC-130J Hercules. The C-130J will replace older-model Air Force C-130E transport aircraft and the KC-130J can be configured for either transport or refueling to replace the Marine Corps' aging KC-130F-, R-, and T-model fleets. To help the Air Force and Marine Corps replace these aging fleets, the committee recommends \$221.8 million (matching the President's request) for two Air Force C-130J aircraft and \$299 million (matching the President's request) for four KC-130Js for the Marine Corps.

C-17 Globemaster. The committee recommends a total of \$3.5 billion (matching the President's request) for 15 C-17 aircraft, long-lead procurement for fiscal year 2003 aircraft, and contractor support. According to the recent Mobility Requirements Study – 2005, the planned airlift fleet is inadequate to meet the requirements of the National Military Strategy. Furthermore, in order to replace aging C-141 aircraft, C-17s must be procured at current rates. Accordingly, the committee recommends a transfer of \$36 million from C-17 aircraft procurement budgets to long-lead procurement budgets in order to allow DOD to budget and plan for the more efficient production rate of 15 C-17s in fiscal year 2003, rather than the 12 now planned. Additionally, the committee included a provision to allow the Air Force to proceed with a follow-on C-17 multi-year procurement if the Secretary of Defense certifies this requirement.

E-8C Joint Surveillance and Target Attack Radar System (JSTARS). The E-8C JSTARS is an aircraft equipped with a long-range, air-to-ground surveillance system designed to locate, classify, and track ground targets in all weather conditions. The committee recommends \$283.2 million (matching the President's request) for procurement of one E-8C JSTARS aircraft and \$49 million (matching the President's request) for advance procurement of the 17th aircraft in fiscal year 2003. In addition, the committee recommends \$89 million (the President did not request any funds) for the JSTARS multi-platform Radar Technology Insertion Program.

F-15 Eagle. The F-15E is an all-weather, deep penetration, air-to-surface attack aircraft. The committee recommends \$256.7 million (\$44.5 million more than the President's request) to enhance the F-15E fleet with the Link 16 and engine upgrades that will increase safety, reliability, and performance.

F/A-18 Hornet. The F/A-18A, B, C, and D fleets are the primary strike aircraft for both the Navy and the Marine Corps. The newest model, the F/A-18E/F, began production four years ago and will begin operational deployments in fiscal year 2002. To provide the Navy with the

improved capabilities of the F/A-18E/F, the committee recommends \$3.1 billion (matching the President's request) for procurement of 48 F/A-18E/Fs and \$193.2 million (matching the President's request) for modifications to the existing F/A-18 fleet.

F-22 Raptor. The F-22 Raptor is the Air Force's next-generation air dominance fighter. The committee supports the President's requests for \$865.4 million for research and development, \$2.7 billion for 13 low-rate initial production (LRIP) aircraft, and \$379.2 million for advance procurement of 24 LRIP aircraft in fiscal year 2003.

Joint Strike Fighter (JSF). The JSF will be a high technology, affordable, multi-role, combat aircraft based on a common airframe and components which will be used by the Air Force, Navy, and Marine Corps. The committee supports the President's requests for \$767.3 million for Navy JSF development and \$769.5 million for Air Force JSF development.

Peacekeeper MX Missile. In light of the President's decision to negotiate with Russia on a new strategic framework, the committee supports the President's request to provide legislative relief from an existing prohibition on the retirement of Peacekeeper MX Missiles. However, the committee recommends maintaining the existing prohibition as it applies to other strategic systems and awaits the results of the congressionally mandated nuclear posture review later this year.

V-22 Osprey. The V-22 is a tilt-rotor vertical takeoff and landing aircraft that was first developed for the Marine Corps as an MV-22 variant, followed by a CV-22 variant for the Air Force's Special Operations Forces, and an HV-22 variant for the Navy. Following two mishaps involving the MV-22 last year, the Marine Corps grounded its fleet pending a review of the program by a panel appointed by the Secretary of Defense. In April 2001, the panel recommended a near-term decrease in V-22 production along with increased design and re-engineering efforts to improve the aircraft's safety and reliability. These actions delayed both the full-rate MV-22 production decision and the development activities of the CV-22 variant. Furthermore, funding was rescinded for a portion of MV-22 and CV-22 production, and for CV-22 test articles pending the correction of the MV-22 deficiencies. Accordingly, the committee believes that CV-22 development funds for test articles and CV-22 procurement funding is unnecessary in fiscal year 2002 and recommends the following amounts:

- \$1 billion (matching the President's request) for 12 MV-22s;
- \$446.7 million (\$100 million less than the President's request) for V-22A Navy Research and Development, Test and Evaluation. The reduction in funding is for CV-22 test articles;
- \$96.7 million (matching the President's request) for Special Operations Command CV-22 component development;
- \$10 million (matching the President's request) for Air Force CV-22 avionics development;
- no funding (\$136.5 less than the President's request) for Air Force CV-22 procurement; and

- no funding (\$28.2 million less than the President's request) for Special Operations CV-22 procurement.

Helicopters

(Listed Alphabetically)

AH-64D Apache Longbow. The Apache Longbow is the Army's upgraded heavy attack helicopter, armed with digital fire control radar and fire-and-forget anti-tank missile capability. In October 2000, the Army signed a multiyear procurement (MYP) contract for the remanufacture of 269 AH-64A analog variant aircraft to the digital Longbow variant. The Apache helicopter, while formidable, has been grounded numerous times over the last several years for mechanical and safety of flight reasons. Because of these discrepancies, the MYP contract was recently restructured to upgrade fewer aircraft and free funding to meet recapitalization requirements. In addition, the Army Chief of Staff identified a \$47 million unfunded requirement for recapitalization of the Apache Longbow fleet in fiscal year 2002. Therefore the committee recommends \$898.6 million (\$10 million more than the President's request) for Apache Longbow upgrades and recapitalization.

MH-60S. The MH-60S will provide organic airborne mine countermeasures for both carrier battle groups and amphibious readiness groups, and conduct vertical replenishment and search and rescue missions. The committee recommends \$182 million (matching the President's request) for procurement of 13 MH-60S helicopters and \$64.2 million (matching the President's request) for advance procurement of long-lead components.

RAH-66 Comanche. The Comanche will fulfill the Army's requirement for an armed reconnaissance helicopter. The committee applauds the Secretary of the Army for increasing Comanche funding above the previously projected level and recommends \$816.4 million (\$28.5 more than the President's request) for Comanche development.

UH-60 Blackhawk. The Blackhawk is the Army's primary utility helicopter for air assault, general support, and medical evacuation missions. The committee recommends \$174.5 million (matching the President's request) for 12 UH-60L Blackhawks for the Army National Guard, and \$30 million (matching the President's request) for eight UH-60Q enhanced medical evacuation helicopter kits. Additionally, the committee recommends \$23.3 million (\$6 million more than the President's request) for crashworthy external fuel systems for the Army National Guard UH-60s. (Also listed in "National Guard and Reserve Equipment," page 21.)

Munitions

Precision-Guided Munitions (PGMs). In military operations since the Persian Gulf War, the military services have greatly increased the use of PGMs to reduce the risk to U.S. military personnel and collateral damage around enemy targets, while enhancing the effectiveness of U.S. weapons platforms. The committee recommends:

- \$414.6 million (matching the President's request) for 4,139 Javelin anti-tank missiles;
- \$241.8 million (matching the President's request) for 2,200 Hellfire missiles for the Army;
- \$228.4 million (matching the President's request) to procure Joint Direct Attack Munitions (\$187 million for 8,383 missiles for the Air Force and \$41 million for 1,417 missiles for the Navy);
- \$110 million in increases for research and development of other PGMs including, Advanced Anti-Radiation Guided Missile, Affordable Weapon, Trajectory Corrected Munition, and Joint Helmet Mounted Cueing System; and
- \$26.2 million (matching the President's request) for 30 Standoff Land Attack Missile–Expanded Response missiles. This system will meet the Navy's requirement for an advanced air-launched, standoff land attack system and is a top unfunded requirement of the Chief of Naval Operations.

Shipbuilding Programs

(Listed Alphabetically)

CVN-77 and CVN(X). The committee recommends \$35.5 million (matching the President's request) for research and development on the CVN-77 aircraft carrier, \$314.3 million (matching the President's request) for CVN(X) research and development, and \$138.9 million (matching the President's request) for procurement of long lead materials for the CVN(X).

DDG-51. The DDG-51 class of Navy AEGIS destroyers provides improved radar, fleet defense, missile defense, and land attack capabilities to the Navy's surface fleet. The committee recommends \$3 billion (matching the President's request) for procurement of three *Arleigh Burke*-class AEGIS destroyers.

Future Navy Surface Combatants. The committee supports the Navy's program for development of the next-generation surface combatant, the DD-21 land attack destroyer, and recommends a total of \$618.5 million (\$25 million less than the President's request) for the program. The funding reduction reflects the delay in the decision to award the DD-21 development contract.

The committee's recommendation includes \$67.9 million for development and integration of combat systems for naval combatants, including an increase of \$25.5 million to accelerate the development of the common command and decision system. The committee also recommends \$151.3 million (matching the President's request) for the Navy's Cooperative Engagement Capability and \$131 million (matching the President's request) for the Navy's land attack technology program. Finally, the committee recommends \$20 million for the Secretary of Defense to establish a competitive program for development of the Advanced Land Attack Missile.

Guided Missile Submarine Conversion. The guided missile submarine conversion program will refuel ballistic missile submarines and replace their nuclear missiles with long-range conventional Tomahawk cruise missiles. Although there are four submarines currently available for conversion, the President's request contained funding to refuel only two of the submarines available for conversion. Accordingly, the committee recommends \$167.4 million (\$51 million more than the President's request) for submarine conversion. The additional funding will allow advance planning for conversion of the remaining two available ballistic missile submarines.

LHD-8. LHD-8 will be the eighth ship in this amphibious assault ship class, improving the Navy and Marine Corps' ability to operate helicopters, AV-8B attack aircraft, and amphibious assault and landing craft during assault combat missions. The committee recommends \$267.2 million (matching the President's request) to continue the funding required to build LHD-8.

LPD-17 The *San Antonio*-class LPD-17 ships will provide improved capabilities to embark, transport and land elements of Marine landing forces. The committee recommends \$421.3 million (matching the President's request) for advance procurement of the fifth and sixth *San Antonio*-class amphibious ships.

New Attack Submarine. The committee recommends \$1.6 billion (matching the President's request) for advance procurement of the fourth boat in the *Virginia*-class of submarines, which will replace retiring *Los Angeles*-class submarines and constitute the bulk of the future attack submarine force.

T-AKE. The committee recommends \$370.8 million (matching the President's request) for procurement of the third T-AKE, a ship that replenishes battlegroups at sea with ammunition, spare parts, and provisions.

Ground Weapons and Vehicles

(Listed Alphabetically)

Crusader. The Army considers the Crusader self-propelled Howitzer an essential warfighting capability as it transforms into a lighter, more lethal, and more logistically efficient force. The committee supports continued development of Crusader and recommends \$487.3 million for continued development and long lead items.

Family of Medium Tactical Vehicles (FMTV). The committee recommends \$467.4 million (matching the President's request) for FMTVs, the Army's primary medium tactical truck for combat support and combat service support forces.

High Mobility Multipurpose Wheeled Vehicle (HMMWV). The committee recommends \$240 million (matching the President's request) for Army and Marine Corps HMMWVs, a four-wheel drive utility and logistics vehicle.

M1A2 Abrams Tank and Wolverine Heavy Assault Bridge. The M1A2 Abrams System Enhancement Program (SEP) tank is a key component of the Army's heavy counter-attack force and will remain so through at least the year 2020. Therefore, the committee recommends \$385.8 million (\$10 million less than the President's request) for M1A2 SEP Abrams tanks and \$48.6 million (matching the President's request) for the Wolverine Heavy Assault Bridge.

National Guard and Reserve Equipment

Bradley Fighting Vehicle Modifications. Both the Army and the Army National Guard rely upon the Bradley Fighting Vehicle as their primary infantry support vehicle. The committee recommends \$60 million (the President's request did not include any funds) to continue upgrading Army National Guard Bradley Fighting Vehicles to A2 Operation Desert Storm combat-capable specifications and \$400.8 million (matching the President's request) to upgrade active-Army Bradleys.

UH-60 Blackhawk. The committee recommends \$174.5 million (matching the President's request) for 12 UH-60L Blackhawks for the Army National Guard (as noted under "Helicopters" on page 18.) Additionally, the committee recommends \$23.3 million (\$6 million more than the President's request) for crashworthy external fuel systems for Army National Guard UH-60s.

Safety and Survivability

Chemical-Biological Defense. The committee recommends \$856.5 million (\$5 million less than the President's request) for the chemical-biological defense program, including \$348.7 million for procurement of chemical and biological defense materiel and \$507.7 million for research and development. The committee also recommends \$150.1 million (\$10 million more than the President's request) for the Defense Advanced Research Projects Agency's biological warfare defense program.

ELIMINATING WASTE AND REFORMING DOD'S ORGANIZATION AND BUSINESS PRACTICES

Cutting the Acquisition Workforce. Despite several years of congressional efforts to encourage fundamental changes to DOD's acquisition infrastructure, reforms continue to be necessary to reduce costly overhead and to free up resources for combat-mission areas. As such, the committee recommends a provision to reduce the defense acquisition workforce by 13,000 positions in fiscal year 2002.

Electronic Reports. Although the Department of Defense has made significant strides in moving towards a paperless environment, DOD continues to submit reports to Congress only in paper form, making dissemination and use of such documents difficult and time-consuming. Accordingly, the committee recommends a provision to require DOD to include an electronic copy of most reports submitted to Congress.

Military Voting Reforms. The committee is concerned that some service members' ability to vote in the 2000 election was hindered by the way military commanders and voting assistance officers performed their duties pertaining to existing laws and regulations. As such, the committee recommends a number of provisions intended to correct problems with the DOD mail and voting systems including:

- **Compliance with Existing Laws.** The committee recommends a provision to require the DOD Inspector General to conduct annual random assessments of compliance with the requirements of the Uniformed and Overseas Citizens Absentee Voting Act, DOD regulations regarding the Federal Voting Assistance Program, and other requirements of law.
- **Service Member Access to Voting Information.** Voting assistance officers are often appointed haphazardly and on a short-term basis, an approach that does little to encourage the appointees to carry out their duties completely and correctly. Therefore, the committee recommends a provision to require voting assistance officers to be appointed for terms of at least 30 months and to require that their performance as voting assistance officers be included in their evaluation reports.
- **Quality Mail Service.** In the weeks following the 2000 election, there were widespread reports of problems with the military mail system. In an effort to better understand the scope of these problems and to give the services an opportunity to fix these problems before election deadlines, the committee recommends a provision to require the Secretary of Defense, in the four months prior to congressional elections, to poll all units and ships at sea responsible for collecting and shipping mail to determine if voting materials are awaiting shipment and the length of time that the materials have been held at those locations.
- **Electronic Voting Demonstration Project.** The future of military absentee voting is likely an electronic voting system to allow service members to cast votes from wherever they are deployed. As such, the committee recommends a provision to require the

Secretary of Defense to conduct a demonstration project for collecting military absentee votes through an electronic voting system.

Navy Marine Corps Intranet Contract (NMCI). NMCI is an effort to create a single network for the entire Navy by transferring ownership and responsibility of its computers and associated equipment to a contractor who would own, operate, and maintain the communication systems. Due to lengthy program delays and significant questions about the Navy's funding and budgetary strategy for NMCI, the committee recommends releasing the Marine Corps from the program, excluding aviation depots and naval shipyards, and authorizing \$527 million (\$120 million less than the President's request) for NMCI.

Protecting Commissary Surcharge Funds. Commissary facilities are built and maintained with funds collected from commissary patrons - service members, their families, and retirees. In order to ensure that these funds are not lost to service members, the committee recommends a provision to require service secretaries to reimburse commissary accounts when such facilities are closed and converted to military uses.

OTHER INITIATIVES

(Listed Alphabetically)

Arlington National Cemetery (ANC) and Air Force Memorial. Arlington National Cemetery is projected to run out of in-ground burial space for veterans in the year 2025 unless additional property is provided. The Military Construction Authorization Act for Fiscal Year 2000 (P.L. 106-65) began to provide additional burial space for ANC through the transfer of selected adjacent federal property to the cemetery. The committee recommends a provision to expand the cemetery grounds into areas adjacent to the current cemetery boundaries, including Arlington Ridge Park. This year's expansion, combined with parcels designated for transfer to ANC in the 106th Congress, will ensure the availability of in-ground burial space for veteran interments through approximately 2060. Additionally, the committee recommends a provision directing the Secretary of Defense to offer the Air Force Memorial Foundation an option to build the Air Force Memorial on the Navy Annex property.

Assisting Homeless Veterans. The DOD routinely disposes of excess property, including personal items such as clothing, shoes, and sleeping bags. The committee recommends a provision to make these excess DOD items available to Veterans Affairs programs to help homeless veterans.

Cooperative Threat Reduction (CTR). While the committee continues to support the core purposes of CTR - the accelerated dismantlement of former Soviet strategic offensive arms that threaten the United States - the committee is concerned that an increasing number of CTR activities have broader nonproliferation, foreign policy, and arms control goals that may be more appropriately funded outside the DOD. Furthermore, the committee is concerned that the poor economic situation in the former Soviet Union is shifting an increasing share of CTR costs to the United States. Accordingly, the committee recommends \$403 million (matching the President's request) for CTR activities in fiscal year 2002, but believes it is time to review the overall CTR program and consider transferring responsibility for CTR activities to other agencies. Specific budget recommendations for fiscal year 2002 include:

- \$133.4 million (matching the President's request) for the elimination of strategic offensive arms in Russia;
- \$51.5 million (matching the President's request) for elimination of strategic offensive arms in Ukraine;
- \$17 million (matching the President's request) for biological weapons proliferation prevention in Russia;
- \$15 million (matching the President's request) for the elimination of chemical weapons production facilities in Russia;
- \$35 million (matching the President's request) for work on a chemical weapons destruction facility in Russia. The committee also recommends amending the existing prohibition on funding for construction of a chemical weapons elimination facility in Russia by including a provision that would condition the obligation or expenditure of funds on certification by the Secretary of Defense that Russia has:
 - made full and accurate disclosure of its chemical weapons stockpile;

- committed to annually invest at least \$25 million in chemical weapons elimination;
- developed a practical plan for chemical weapons elimination;
- provided legal authority for the elimination of all nerve agents at a single site; and
- agreed to destroy its chemical weapons production facilities at Volgograd and Novocheboksarsk.
- \$18.7 million (matching the President's request) for defense and military contracts; and
- \$56 million (matching the President's request) to improve security at nuclear weapons storage facilities in Russia.

Counter-Drug Activities. The committee continues to support Department of Defense efforts to stop the flow of drugs into the United States. As such, the committee recommends \$166.8 million (matching the President's request) of funds in the operating budgets of the services and \$820.4 million (matching the President's request) for counter-drug activities.

Defense Prisoner of War/Missing in Action Office (DPMO). DPMO was established to account for and recover military personnel lost during the nation's past conflicts and to coordinate and prepare for efforts to locate and recover those who may be lost in future conflicts. Although DPMO's workload has grown dramatically in recent years, its resources and personnel levels have declined, including the loss of 40 percent of its civilian workers. The committee strongly supports DPMO and directs the Secretary of Defense to provide increased resources in future budgets to meet DPMO's personnel and funding requirements.

Funeral Honors Duty Compensation. In continued support for ensuring the presence of a military honor guard at veterans' funerals, the committee recommends a provision to ensure that reserve and National Guard members who perform funeral honors duty receive the same rights, benefits, and protections provided to service members performing inactive-duty training. In addition, the committee recommends a provision to authorize the military services to pay retired service members an allowance for performing funeral honors duties.

Medal of Honor Review. In response to concerns that prevailing discriminatory attitudes may have denied some deserving Jewish and Hispanic war veterans the Congressional Medal of Honor, the committee recommends a provision to require the service secretaries to review the service records of certain Jewish and Hispanic veterans from World War II and later to determine if they should have received the Congressional Medal of Honor.

Merchant Marine. Ensuring a healthy U.S. maritime industry as well as maintaining a viable shipbuilding industrial base remains a critical element of U.S. military and economic strength. Therefore, the committee recommends \$103.9 million (\$100 million more than the President's request) for the Title XI loan guarantee program. In addition, the committee recommends \$99.1 million (matching the President's request) for operation of the Maritime Administration and the U.S. Merchant Marine Academy, scrapping of obsolete vessels, and continued assistance to the six state maritime academies. However, the committee does not support the President's request to transfer the Maritime Security Program from the Department of Transportation to the Department of Defense because the committee has not received any justification for the transfer.

Military Cooperation Between China and Former Soviet States. The committee notes with increasing concern the growing military relationship between the People's Republic of China and the states of the former Soviet Union, particularly Russia. Consequently, the committee directs the Secretary of Defense to provide information, as part of an existing report requirement on Chinese military capabilities, on the sale and transfer of military hardware, expertise, and technology from states of the former Soviet Union to the People's Republic of China, as well as an assessment of the effects of such transfers on the security interests of the United States and its friends and allies in Asia.

New Service Medals. In recognition of outstanding military service, the committee recommends provisions to establish the Korea Defense Service Medal (for service members who served in the Republic of Korea or adjacent waters after July 28, 1954) and the Cold War Service Medal (for persons who served honorably on active duty between September 2, 1945 and December 26, 1991).

DEPARTMENT OF ENERGY (DOE)

DOE Environmental Management Programs. The committee recommends \$5.8 billion (\$82.3 million more than the President's request) for DOE environmental cleanup and management programs including:

- \$3 billion (\$101 million more than the President's request) for construction and project work at facilities with complex and extensive environmental problems that will be closed after 2006. The additional funds will support current cleanup schedules at the Savannah River Site;
- \$1.1 billion (matching the President's request) for the Defense Facilities Closure Project;
- \$920.2 million (\$8.2 million more than the President's request) for construction and site completion at facilities that will be closed by 2006;
- \$196 million (matching the President's request) for the Defense Environmental Restoration and Waste Management Science and Technology program to develop new technologies for nuclear waste cleanup; and
- \$126.2 million (\$15.3 million less than the President's request) for Defense Environmental Management Privatization.

National Nuclear Security Administration (NNSA). The committee recommends \$6.9 billion (\$83.1 million more than the President's request) for NNSA, a semi-autonomous agency with responsibility for managing the nation's nuclear weapons, nonproliferation, and naval reactor programs.

- **Directed Stockpile Work.** The committee recommends \$1 billion (matching the President's request) to fully fund stockpile life extension and evaluation programs.
- **Defense Nuclear Nonproliferation.** The committee recommends \$773.7 million (matching the President's request) to address the proliferation of weapons of mass destruction.
- **Production Facilities Operations.** The committee believes the budget request places insufficient priority on restoring and modernizing the nation's nuclear weapons plants and recommends \$50.6 million (the President did not request any funds) for infrastructure improvements at the Pantex and Y-12 plants.
- **Tritium Readiness.** Tritium is a radioactive isotope of hydrogen necessary for the proper functioning of U.S. nuclear weapons. Because it has a short half-life, it must periodically be replenished. However, the United States has not produced any tritium in more than a decade. Last December, the Secretary of Energy selected commercial light water reactor technology to be the nation's primary tritium production technology, but continued development of Accelerator Production of Tritium (APT) as a back-up production technology. As the President's request did not include any funds for APT construction in fiscal year 2002, the committee recommends \$16 million (\$15 million more than the President's request) to continue APT design efforts.

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Actions on Major Programs in the Fiscal Year 2002 Defense Authorization Act

(dollars in millions)

Major Army Programs						
	FY 2002 Budget Request			H.R. 2586		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
RAH-66 Comanche	\$788			\$816		
UH-60 Blackhawk		12	\$175		12	\$175
CH-47 Upgrades			\$295			\$295
AH-64D Apache Longbow		60	\$889		60	\$899
Bradley A2ODS Upgrades			\$0			\$60
Crusader	\$487			\$487		
Future Combat System	\$511			\$511		
Interim Armored Vehicle		326	\$663		326	\$663
Javelin Missiles	\$0.5	4,139	\$415	\$6	4,139	\$415
Hellfire Missiles		2,200	\$242		2,200	\$242
HMMWV		1,143	\$131		1,143	\$131
FMTV		2,493	\$467		2,493	\$467
Army Science & Technology	\$1,579			\$1,743		

Major Navy and Marine Corps Programs						
	FY 2002 Budget Request			H.R. 2586		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
V-22 Osprey	\$547	12	\$1,010	\$447	12	\$1,010
Joint Strike Fighter	\$767			\$767		
F/A-18E/F	\$1	48	\$3,066	\$1	48	\$3,066
E-2C Hawkeye	\$21	5	\$243	\$31	5	\$243
T-45	\$0	6	\$179	\$0	6	\$192
NSSN	\$202	1	\$1,609	\$202	1	\$1,609
CVN-77	\$36			\$36		
CVN(X)	\$314			\$314		
DDG-51		3	\$2,966		3	\$2,966
CH-60		13	\$182		13	\$182
LPD-17	\$1		\$421	\$1		\$421
HMMWV		1,466	\$109		1,466	\$109
KC-130J		4	\$299		4	\$299
T-AKE		1	\$371		1	\$371
DD-21	\$644			\$619		
Cooperative Engagement Capability	\$74		\$77	\$74		\$77
MH-60S	\$50			\$50		
Tomahawk	\$76	34	\$50	\$76	34	\$70
MTVR		1,946	\$312		1,946	\$312
Navy Science & Technology	\$1,713			\$1,903		

Major Air Force Programs						
	FY 2002 Budget Request			H.R. 2586		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
F-22	\$865	13	\$2,658	\$865	13	\$2,658
E-8C Joint STARS	\$148	1	\$283	\$247	1	\$283
E-8C Joint STARS Adv. Proc.			\$49			\$49
F-16C/D Fighting Falcon	\$111		\$232	\$81		\$234
JPATS		48	\$228		48	\$228
C-17 Globemaster	\$111	15	\$2,876	\$111	15	\$2,876
Joint Strike Fighter	\$770			\$780		
JASSM	\$79	76	\$45	\$79	76	\$44
Global Hawk UAV	\$184	2	\$85	\$184	2	\$85
B1-B Bomber	\$195		\$96	\$153		\$38
B-2 Stealth Bomber	\$155		\$12	\$245		\$45
Airborne Laser	\$410			\$400		
Air Force Science & Technology	\$1,382			\$1,521		

Major Defense-Wide Program						
	FY 2002 Budget Request			H.R. 2586		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
Ammunition (all services)			\$2,390			\$2,411
Ballistic Missile Defense						
BMD Technology	\$113			\$113		
BMD System Segment	\$780			\$755		
Terminal Defense Segment	\$968			\$1,557		
Mid-Course Defense Segment	\$3,941			\$3,911		
Boost Defense Segment	\$685			\$610		
BMD Sensors	\$496			\$471		
BMD Procurement		72	\$684		72	\$684
Defense Agency Science & Technology	\$4,104			\$3,935		

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